

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 2751 – HB 3206

March 22, 2010

SUMMARY OF AMENDMENT (015656): Deletes the language “shall take effect upon becoming law.” Defines the effective date as July 1, 2011, or the date the balance of federal funds received under the American Recovery and Reinvestment Act of 2009 (ARRA) as incentive payments for dependents’ allowances and benefits payable to individuals seeking part-time work only is expended, whichever is later.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$94,538,700/One-Time/
Unemployment Insurance Trust Fund (UI Trust Fund)

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Decrease State Expenditures – \$4,500,000/Recurring/UI Trust Fund

**Increase Federal Expenditures – \$1,200,000/One-Time
Unemployment Insurance Administrative Fund**

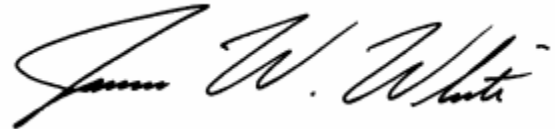
Assumptions applied to amendment:

- The United States Department of Labor allowed the State until June 25, 2010 to start paying dependent allowances.
- According to the Department of Labor and Workforce Development, the effective date that this amendment applies to the original bill will eliminate the liability of the State to pay back the incentive funds to the federal government.
- Once funds received under ARRA are expended, there will be no additional dependent allowance payments.
- There will be a one-time increase in federal administrative expenditures of \$1,200,000 to revert all programming changes.

- There will be a recurring decrease in state expenditures of approximately \$4,500,000 from the elimination of dependent allowances.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large initial "J" and a distinct "W".

James W. White, Executive Director

/jaw